STUDY MATERIAL

OF

DEPARTMENT OF TOURISM OF TOURISM AND TRAVEL MANAGEMENT (T.T.M)

BHATTADEV UNIVERSITY

FOR

SIXTH (6TH) SEMESTER CLASS (B.A & B.SC)

PAPER-601(6.1)-TOURISM MARKETING

UNIT-II-MARKET RESEARCH

Topic-**MARKETING INFORMATION SYSTEM AND ITS FUNCTION**

A marketing information system (MKIS) or (MIS) is a <u>management information system</u> (MIS) designed to support <u>marketing</u> <u>decision making</u>. Jobber in 2007 defines it as a "system in which marketing data is formally gathered, stored, analysed and distributed to <u>managers</u> in accordance with their informational needs on a regular basis." In addition, the online business dictionary defines Marketing Information System (MKIS) as "a system that analyzes and assesses marketing information, gathered continuously from sources inside and outside an organization or a store. Furthermore, "an overall Marketing Information System can be defined as a set structure of procedures and methods for the regular, planned collection, analysis and presentation of information for use in making marketing decisions." (Kotler, at al, 2006).

Reid and Bojanic, in the year, 2010, claimed that, "The term market research informs relatively narrowerly than Marketing Information System (MkIS) which is altered from the term management information <u>systemization</u>. Market research indicates that information is collected for a specific reason or project; the major objective is a one-time use.

A marketing information system, which continuously collects the initial, routine and systematic data, is not only used for one particular topic but is designed for monitoring the degree of the marketing success to ensure the achievable of the operation as well.

The Marketing Information System (MIS) refers to the systematic collection, analysis, interpretation, storage and dissemination of the market information, from both the internal and external sources, to the marketers on a regular, continuous basis. The MIS distributes the relevant information to the marketers who can make the efficient decisions related to the marketing operations viz, pricing, packaging, new product development, distribution, media promotion, etc.

Every marketing operation works in unison with the conditions prevailing both inside and outside the organization and therefore, there are several sources (viz. Internal, Marketing, Intelligence, Marketing Research) through which the relevant information about the market can be obtained.

Importance

Developing an MIS system is becoming extremely important as the strength of economies rely on services and to better understand the specific needs of customers. Kotler, et al. (2006) defined it more broadly as "people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing d

Insofar as an economy focuses on services, marketing is important to "monitor the marketing environment for changes in buyer behavior competition, technology, economic conditions, and government policies." In this sense, the role of marketing is becoming pivotal for an organization to "adapt to changes in the market environment." (Harmon, 2003)

As an economy relies on the acquisition of knowledge, MkIS systems are necessary to be able to define and differentiate the value proposition that one organization provides with respect to another, as well as to define their competitive advantage. (Harmon, 2003)

The main benefit of MkIS systems is to integrate market-monitoring systems with strategy development and the strategic implementation of policies and processes that help capture and act on customer management applications with marketing decision support systems. This area constitute marketing intelligence that supports the analysis and market based activities that support customer relations and customer service with real time information with real time applications that support market based approaches.

Though marketing research information can be generated by studies, which are normally conducted in the market place whereas marketing information systems are designed to gather,

integrate, process and distribute marketing information comprehensively from all sources, including that from marketing research. The contrasting characteristics of MkIS or MIS and MR are presented in Table -1 as shown below:

Table -1 Showing contrasting characteristic of MR and MkIS or MIS

Marketing Research	Marketing Information System
1.Emphasis is on handling external information	1. It handles both internal and external data.
2. It is concerned with solving problems.	2. It is concerned with preventing as well as solving problems.
3. It operates in a fragmented fashion – on a project-to-project basis.	3. It operates continuously as a system.
4. It tends to focus on past information.	4. It tends to be future oriented.
5. It is a source of input for marketing information system.	5. It includes other subsystems besides marketing research.

The business function of marketing is concerned more with the planning, promotion and sale of products in existing markets and the development of new products and new markets. Thus marketing performs a vital function in the operation of a business enterprise. Business firms who turned to computers have been able to perform vital marketing function effectively for organizations' growth in the face of global competition.

Sources of Marketing Information in Marketing Research

There are five major sources of information in marketing research. They are-i) Primary Data ii) Secondary Data iii) Information from Respondent iv) Experimentation and v) Simulation

Features of MIS or MKIS

        i)   Collects marketing information.

        ii)   MIS collects all types of marketing information.

iii)   It collects information about the consumer competition, marketing environment and government policies etc.

iv)   It supplies this information to the marketing managers.

v)   Helps in decision making.

vi)   MIS-supplies up-to-date and accurate information.

Basic Components of Marketing Information System

Fig-Basic Components of Marketing Information System

i)   Internal Records- It provides reliable internal or inside information of the company.

ii)   Marketing Intelligence System-It collects information from the external sources.

iii)   Marketing Research (MR)-MR is used to solve specific marketing problems of the company.

iv)   Marketing Decision Support Systems- These are tools which helps marketing managers to analyze data and take better market decisions.

Purpose

The purpose of Marketing Information System is a continuing and interacting structure of people, equipment and procedures to gather, sort, analyze, evaluate and distribute pertinent, timely and accurate information to use by marketing decisions makers to improve their marketing planning, implementation and control.

Functions of Marketing Information System

Proper Marketing Planning

Marketing information system helps in framing of marketing policies. It regularly supplies all market related information to management for regulating all market operations.

Various budgets are prepared in accordance with market conditions through information provided by this system for carrying out production, distribution and marketing activities. Proper availability of information helps in reducing the complexity of designing marketing activities which keeps on changing as per the requirements of market.

Anticipation of Customer Demands

Anticipation of customer needs and wants is important for every organisation. It helps in taking proper decisions regarding production activities and delivering the right product which may satisfy customers. If producers do not have an idea of what their customer wants then they may incur losses by producing product which may not be accepted by customers.

Adequate information about nature, size and character of consumer demands is necessary for manufacturing right product. It gives full details regarding changing tastes, fashions and likes of customers.

Helps in Analysing Competition

Marketing information system helps organisations in analysing the competitive environment around them. It enables the prediction of competitor's behaviour which helps in formulating strategies accordingly to gain advantage over them. Various decisions regarding nature of product, pricing and promotion are taken by business by considering their rivals activities.

Today's market is very competitive and every business needs to face and overcome it. Through market intelligence system, organisations get regularly all information about market competition which helps in making plans for overcoming this.

Increase the Efficiency

Every organisation strives to enhance its efficiency and overall profitability. Marketing information system helps in proper management and coordination of various departments within organisation. It develops a proper communication network through which information can be easily circulated within whole organisation among employees and employers. Employers can easily communicate employees about their role in accordance with market demand and trends.

Employees can also contact their employers in case of any problem so that it can be easily resolved. Proper communication between these two give clear picture to employees regarding what is to be done so that they can focus on their activities attentively. This increase the overall productivity and efficiency of organisation.

Better Understanding with Customers

Developing better understanding with customers is beneficial for retaining them for a longer term. Market information system aims at strengthening the relation of business with customers. It develops a proper channel through which business are able to interact with their customers.

Business can easily take their all queries and resolves them timely which help in satisfying them. As a part of marketing information system, business maintains an online website for providing various customer support services. Customers can contact them through their websites and send them feedback or their queries. A proper communication between customers and organisation takes place which results in better understanding among them.

Recognises Market Trends and Changes

Marketing information system recognises all trends and changes prevailing in market. It monitors and acquires the current economic conditions and regularly updates the business about it. Business requires market intelligence system to keep in touch with market always.

They are able to frame better strategies to reflect these prevailing changes in their activities. By analysing the current economic conditions of market, business can easily decide optimum

production of its products. Overproduction or underproductions are both unfavourable for any organisation. Proper analysis of market changes and trends helps in avoiding these situations and production of right quantity.

Enhances Management Performance

Marketing information system has an important role in improving the performance of management. Quality of information available with managers impacts their decision making ability. It collects data from both internal and external sources of organisation and delivers it regularly to managers.

Management has clear idea of what is going inside the organisation and can check whether it is in line with requirements of market. They can take all necessary steps as and when required to bring changes accordingly. By maintaining a systematic internal records managers can easily ensure that optimum amount of required resources are always maintained to avoid any crisis in organisation.

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